

LNF & IHCIF Calculations Illustration - NORTH IDAHO in Portland area -

Given Data

- 3,784 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 42% = % Expenditures on purchased services, 58% = % expenditures in-house
- 92.9% = Cost index for purchasing health care in this geographic area
- 116.7% = Size cost index for in-house costs due to small or large size
- 96.9% = Portland area cost index for health status above or below average

Cost Adjustment Calculations

- \$1,162 per person for purchased services = $42\% * 92.9\% * \$2,980$
- \$2,018 per person for in-house services = $58\% * 116.7\% * \$2,980$
- \$3,180 per person total = \$1,162 (purchase) + \$2,018 (in-house)
- **\$3,082 per person total** adjusted for health status = $\$3,180 * 96.9\%$
- **\$2,337 per person net cost** = $\$3,082 - \745 Other resources (M&M&PI)

Existing Expenditures (for 3,784 users excluding wrap-around and collections)

- \$1,515 per person = local IHS allowance (excludes \$ for wrap-around)
- \$152 per person = expenditures elsewhere in Portland area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,722 per person for OU users** = $\$1,515 + \$152 + \$54$

LNF Calculation

- **55.9% Gross LNF** = $\$1,722$ (expenditures) / $\$3,082$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **73.7% Net LNF** = $\$1,722 / \$2,337$ net cost ($\$3,082 - \745 other)

IHCIF Allocation

- \$0 = \$ to raise LNF% from 73.7% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$0 Allocation** = \$0 needed for 60% * 3.488% IHCIF fraction

NORTH IDAHO Unmet Needs

- **\$8,842,738 Net Total Need** = 3,784 users * \$2,337 net cost
- **\$2,328,469 Net Unmet Need** = $(100\% - 73.7\% \text{ LNF}) * 3,784 \text{ users} * \$2,337 \text{ net cost}$